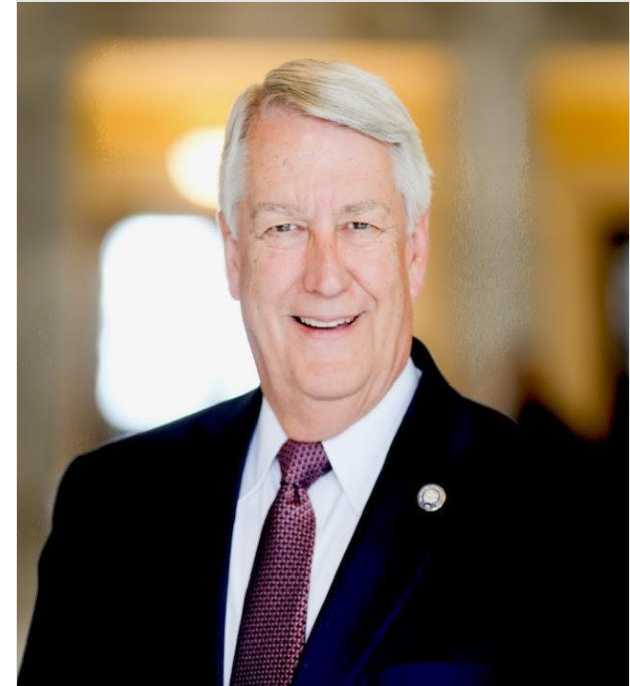




# TAX COMMISSION: Utah Taxpayers Association

May 2026



Chairman John L.  
Valentine

Utah State Tax  
Commission

## Disclaimer

- The summaries presented here are aggressively simplified, very brief and not a substitute for reading the actual code.
- The opinions expressed herein are that of the presenter and do not represent the final opinions or positions of the Utah State Tax Commission.

Number of  
Bills Passed

541\*

\* As reported by OLRGC

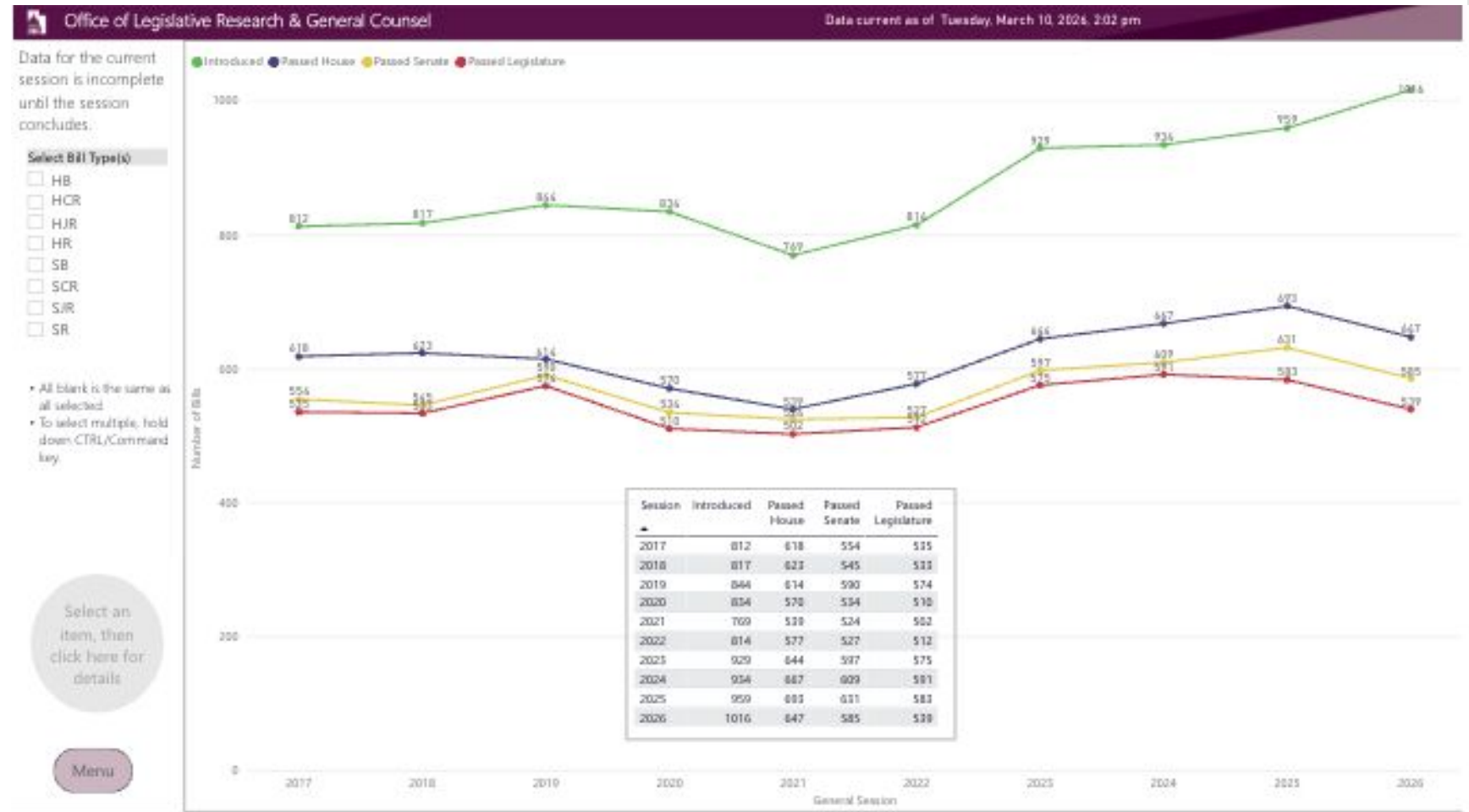
Note: 2025 Session 583 Bills passed

# Number Introduced

# New Record:

# 1385\*

\*As reported by OLRGC



Tax Cut

SB 60

Reduce top bracket of income tax rate from 4.50% to 4.45%\*

\*Sixth Year in a row of top rate reductions

Tax Cut

HB 290

## Child Tax Credit\*

- Increase for under age 6
- New income threshold phaseout\*\*
  - \$30,500 married filing separately
  - \$49,000 single or head of household
  - \$61,000 married filing jointly

Effective Jan 1, 2026

\*\$1,000 nonrefundable tax credit

\*\*Phase out is \$.10 for every dollar that exceeds threshold

## Motor Fuel Tax Cut

HB 575

Beginning on July 1, 2026, and ending on December 31, 2026, tax rate of \$0.319 per gallon on all motor fuel

Presently it is \$0.379 per gallon on all motor fuel

Marriage  
Penalty  
Repeal

# HB 210

Failed to Pass the House: 31-42-2

# Conforming Effects of HR1

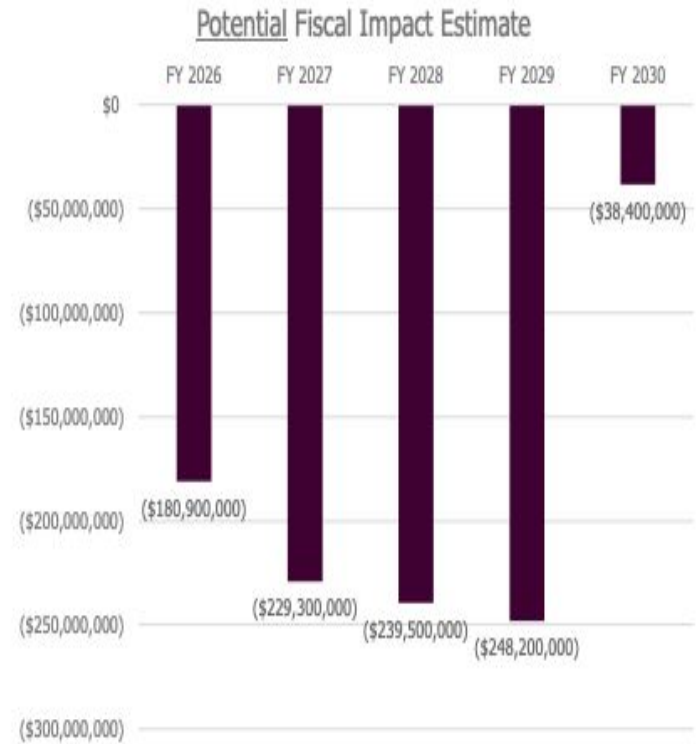
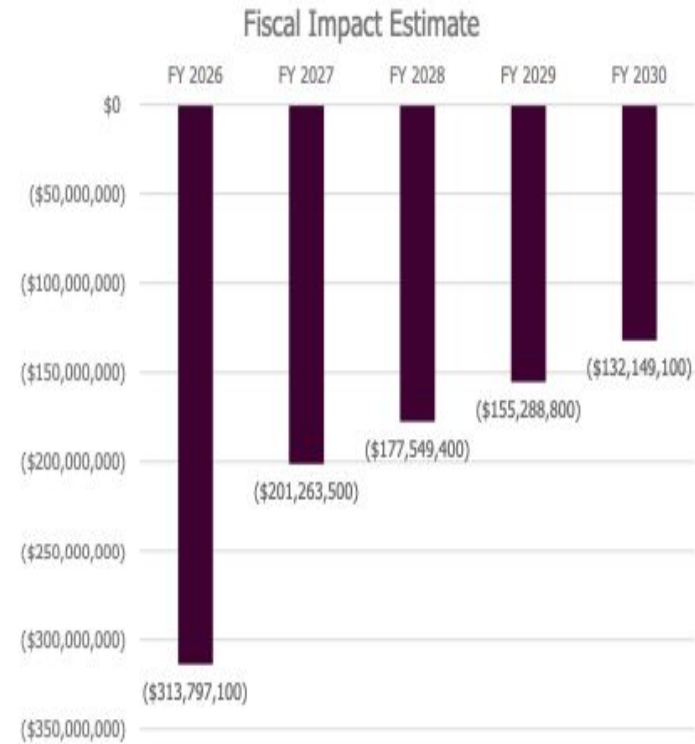
# Reduction of State Revenue

# Automatic Tax Cuts

- Increased Standard Deduction (part of taxpayer tax credit): \$59.4 million in 2026
- SALT cap increase to \$40,000-indirect effect: \$4.7 million in 2026
- 100% bonus depreciation: \$95.4 million in 2026
- Full expensing of R and E expenditures: \$101.5 million in 2026
- Business interest limitation: \$13.7 in 2026
- Increased limitation on depreciable assets: \$7 million in 2026
- Qualified production property depreciation: \$32 million in 2026

# Estimates from LRGC/LFA

## Total Fiscal Impact



Tax Cut

Effect of HR 1

Employer Child Care Tax  
Credit:

Utah Conforms to Federal Credit\*

\*45F Credit

# HB 77

## Omnibus Bill

### Highlights:

- Penalties for failure to file Form 1099 for mineral production tax withholding
  - \$30 per form up to \$75,000-14 to 60 days
  - \$60 per form up to \$200,000-longer than 60 days
  - \$100 per form up to \$500,000-after June 1
- Consolidates the exemptions from privilege tax into one section
- Modifies definition of “indigent individual”
- Expands definition of “Utah unrelated business income”
  - Adds allocated income to apportioned income

## HB 77

### Highlights

- Aligns taxpayer tax credit with federal tax changes
  - But adds back state and local income tax deducted as itemized deduction
- Clarifies that short term rentals are subject to sales and use tax
- Increases the weight- based exemption for motor vehicle rental tax
  - Increased to 14,001 GVW from 12,001

## HB 77

### Highlights

- The commission may not enforce a tax under this part due for reauthorization unless the commission receives timely notice of the reauthorization
- Required 90 days before collection restarts

## HB 77

### Highlights

- SALT workaround permanent\*
- No change to Section 59-10-1045 for 10 year carryforward

\*Removed termination date for new payments

SB 162

Online Sales  
Tax  
Amendments

- Sales & use tax for digital video/audio/games/books
  - Downloaded permanent or temporary
  - Clarification: treated the same
  - Both are taxable

New Tax:

Targeted  
Advertising  
Tax

SB 287

- Imposed on all entities delivering targeted advertising
- Gross Receipts Tax in addition to all other taxes
- Rate is referenced to the state wide sales tax rate (4.7%)
- Gross receipts of \$1,000,000 in Utah and \$100,000,000 world wide and 50% of gross receipts is from targeted advertising

New Tax:

Excise tax

SB 73

- 2% excise tax of the sales price
- Entity determined by the Department of Commerce, Division of Consumer Protection requiring age verification registration
- Any commercial entity required to age verify its content including:
  - digital images
  - digital audio-visual works
  - digital audio works
  - digital books
  - gaming services

## Property Tax Amendments

SB 238

- Creates the Statewide Tax Administration and Technology Solutions Program
- Transfers existing MCAT personal property and unexpended revenue to new program
- Defines virtual participation options in a Truth in Taxation hearing

## Property Tax Amendments

SB 206

- Owner required to file an application with the county board of equalization for residential exemption
- Party carrying the burden of proof does not have to show substantial error if the party is requesting the original assessed value in an appeal to the commission.

SB 197 Circuit  
Breaker &  
Deferral  
(2025)

**VETOED**

H: 42-32-1

S: 18-7-4

# NO CHANGE

- SB 78 4<sup>th</sup> (2026) failed in House 28-41-6

HB 91  
(2025)

NOT  
REPEALED

(HB 231  
(2026) failed)

1% restaurant tax on prepared food  
sold by convenience stores, gas  
stations and grocery stores.



EFFECTIVE:  
Jan 1, 2026

SB 217

Home cook &  
Farmers  
Market  
Exemption

Exempts from state sales tax food and food ingredients or prepared food sold by a home cook, including a homemade food product sold at a direct-to-sale farmers market or direct-to-sale location

Olympics  
Sales Tax  
Exemption

HB 537

\$58 million  
state  
\$30 million  
local

“A sale of an Olympic or Paralympic ticket” is exempt from sales tax

Includes bundled hospitality packages

2034 Utah Olympics only

## Tax Increases

### HB 337

- “Nicotine pouch product”
  - \$1 and 5 cents “on each pouch contained within the alternative nicotine product in excess of 20 pouches”
- 11 cents on each cigarette (up from 8.5 cents)
- Electronic cigarette: .71 times manufacturer’s sales price

DMV

Registration  
Issues

UPDATE



## DMV ACTIONS

SB 52  
(2025)

UPDATE

- Allows USTC to contract to determine registration and insurance match
  - Cars & pickup trucks
  - Boats
  - Trailers
  - Off road vehicles
- \$150 penalty
- 60 days to cure tax after notice before additional penalties imposed
- 100% penalty possible

Don't  
Believe  
Everything  
You Read

Cannot issue  
yet: 86/500



'Dark Sky' license plate now available for Utah drivers.



[KTVX Salt Lake City](#)

However this  
one is  
believable

Starting  
June 1, 2026



Additional  
DMV  
Changes  
Coming?

SB 237

Merge DMV and DLD?

Proposed  
Constitutional  
Amendment

SJR 2

2025 Session

Higher percentage than  
majority (60%) to approve  
statewide initiative for new tax  
or to increase rate of existing  
tax

On November 2026 ballot

NO GREEN  
JELLO AWARD



INSTEAD:

GOLD STAR  
AWARD



GOLD STAR  
WINNER

HJR 19

But never got out of  
Rules

- Limits a senator to 10 requests for legislation
- Limits a representative to six requests for legislation

(740 Bills possible)

Questions?

